

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 903 Medicaid Copayments/Transportation  
**SPONSOR(S):** Detert and others  
**TIED BILLS:** None. **IDEN./SIM. BILLS:** SB 644(i)

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Health Services (Sub)		Rawlins	Collins
2) Health Care			
3) Health Appropriations (Sub)			
4) Appropriations			
5)			

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### SUMMARY ANALYSIS

Medicaid is a medical assistance program that pays for health care services for the poor and disabled. The federal government, the state, and the counties jointly fund the program. The federal government, through law and regulations, has established extensive requirements for the Medicaid Program. The Agency for Health Care Administration (AHCA) is the single state agency responsible for the Florida Medicaid Program. The Department of Children and Families is responsible for determining Medicaid eligibility and managing Medicaid eligibility policy, with approval of any changes by AHCA.

Section 409.9081, F.S., requires the Agency for Health Care Administration, subject to federal regulations and any directions or limitations provided for in the General Appropriations Act, to require copayments for the following services: hospital outpatient, physician, hospital inpatient, laboratory and X-ray services, transportation services, home health care services, community mental health services, rural health services, federally qualified health clinic services, and nurse practitioner services. The Agency may only establish copayments for prescribed drugs or for any other federally authorized service if such copayment is specifically provided for in the General Appropriations Act or other law. Certain Medicaid recipients, as specified in s. 409.9081(3), F.S., are exempt from paying a copayment.

Under the Medicaid Transportation Coverage Limitations and Reimbursement Handbook, Medicaid recipients, unless otherwise exempt, are responsible for payment of a \$1.00 copayment for each one-way transportation trip. Round trips require two copayments. Pursuant to federal law (42 CFR 447.53), the Medicaid recipients who are exempt from the transportation copayment include: children under 18 years of age<sup>1</sup>; pregnant women; institutional care program recipients; and family planning service recipients. Additionally, individuals who require emergency transportation services, individuals using health maintenance organization or other managed care provided transportation, and recipients of hospice services are exempt from the transportation copayment requirement.

The bill deletes transportation services from the list of additional services under the Medicaid program for which a copayment is required.

The Agency for Health Care Administration estimates it will incur expenditures of \$1,011,433 in fiscal year 2003-2004 and \$1,041,522 in fiscal year 2004-2005.

The bill provides for an effective date of July 1, 2003.

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<sup>1</sup> s. 409.9081(3), F.S., is more permissive than federal law, and defines children as "anyone under 21 years of age," as it relates to Medicaid services.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

**STORAGE NAME:** h0903.hc.doc  
**DATE:** March 18, 2003

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. DOES THE BILL:

- |                                      |   |  |                              |
|--------------------------------------|---|--|------------------------------|
| 1. Reduce government?                | Yes <input type="checkbox"/>            | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. Lower taxes?                      | Yes <input type="checkbox"/>            | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 3. Expand individual freedom?        | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/>            | N/A <input type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/>            | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 5. Empower families?                 | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/>            | N/A <input type="checkbox"/> |

For any principle that received a "no" above, please explain:

This bill expands the state's responsibility in paying for transportation services by reducing the individual's copayment.

This bill does not reduce taxes.

This bill lessens the individual's personal responsibility to provide a portion of the fee attributed to transportation services for himself or herself.

#### B. EFFECT OF PROPOSED CHANGES:

##### **The Medicaid Program**

Medicaid is a medical assistance program that pays for health care services for the poor and disabled. The federal government, the state, and the counties jointly fund the program. The federal government, through law and regulations, has established extensive requirements for the Medicaid Program. The Agency for Health Care Administration (AHCA) is the single state agency responsible for the Florida Medicaid Program. The Department of Children and Families is responsible for determining Medicaid eligibility and managing Medicaid eligibility policy, with approval of any changes by AHCA.

The statutory provisions for the Medicaid Program appear in ss. 409.901 through 409.9205, F.S. Section 409.903, F.S., specifies categories of individuals who are required by federal law to be covered, if determined eligible, by the Medicaid Program (mandatory coverage groups). Section 409.904, F.S., specifies categories of individuals who the federal government gives state Medicaid programs the choice of covering (optional coverage groups). Sections 409.905 and 409.906, F.S., specify the medical and other services for which the state may provide services under the state Medicaid plan.

Medicaid is an entitlement program. Federal laws and regulations require states to make all Medicaid services available to all categorically eligible recipients regardless of diagnosis. If the Medicaid recipient is a child, however, Medicaid is required to provide additional services (which may not be available to adult Medicaid recipients) to treat an illness identified through health screening.

Section 409.9081, F.S., requires the Agency for Health Care Administration, subject to federal regulations and any directions or limitations provided for in the General Appropriations Act, to require copayments for the following services: hospital outpatient, physician, hospital inpatient, laboratory and X-ray services, transportation services, home health care services, community mental health services, rural health services, federally qualified health clinic services, and nurse practitioner services. The Agency may only establish copayments for prescribed drugs or for any other federally authorized service if such copayment is specifically provided for in the General Appropriations Act or other law. Certain Medicaid recipients, as specified in s. 409.9081(3), F.S., are exempt from paying a copayment.

## **Transportation Services**

Part I, ch. 427, F.S., specifies requirements for transportation services in Florida. Pursuant to s. 427.013, F.S., the Commission for the Transportation Disadvantaged provides oversight of transportation for all state and federal assistance programs such as Medicaid, Medicaid Waivers, Vocational Rehabilitation, and Veteran's Affairs. The Commission for the Transportation Disadvantaged procures community transportation coordinators at the county level to arrange transportation for Medicaid recipients and recipients of other assistance programs.

Under the Medicaid Transportation Coverage Limitations and Reimbursement Handbook, Medicaid recipients, unless otherwise exempt, are responsible for payment of a \$1.00 copayment for each one-way transportation trip. Round trips require two copayments. Pursuant to federal law (42 CFR 447.53), the Medicaid recipients who are exempt from the transportation copayment include: children under 18 years of age<sup>2</sup>; pregnant women; institutional care program recipients; and family planning service recipients. Additionally, individuals who require emergency transportation services, individuals using health maintenance organization or other managed care provided transportation, and recipients of hospice services are exempt from the transportation copayment requirement.

Several landmark court decisions have consistently ruled that states must assure that recipients have access to covered Medicaid services. Such access rights entitle Medicaid recipients to needed medical transportation assistance, and require states to pay for it. Recipients may not be refused services based on their inability to pay the transportation copayment. When the recipient does not pay the copayment, Medicaid reimburses the provider the difference between the established Medicaid payment and the Medicaid copayment amount.

The bill deletes transportation services from the list of additional services under the Medicaid program for which a copayment is required.

The effective date of the bill is July 1, 2003.

### C. SECTION DIRECTORY:

**Section 1.** Amends s. 409.9081, F.S., deleting transportation services as a Medicaid service that requires a copayment.

**Section 2.** Provides for an effective date of July 1, 2003.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

None.

#### 2. Expenditures:

See "Fiscal Comments."

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<sup>2</sup> s. 409.9081(3), F.S., is more permissive than federal law, and defines children as "anyone under 21 years of age," as it relates to Medicaid services.

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None.

2. Expenditures:

None.

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

Transportation providers will no longer have to collect copayments from Medicaid recipients and Medicaid recipients will no longer be responsible for payment of the transportation copayments.

**D. FISCAL COMMENTS:**

According to the Agency for Health Care Administration, the bill will require the Medicaid program to reimburse transportation providers at the amounts determined by their operating rate structures without deducting copayments of \$1.00 per one-way or \$2.00 per-round trip. The Medicaid fiscal agent would be required to change transportation billing procedures to halt deductions of copayments. The Agency for Health Care Administration will need to revise the Medicaid Transportation Coverage, Limitations, and Reimbursement Handbook to conform to the elimination of the transportation copayment. The Agency for Health Care Administration estimates it will incur expenditures of \$1,011,433 in fiscal year 2003-2004 and \$1,041,522 in fiscal year 2004-2005.

**III. COMMENTS**

**A. CONSTITUTIONAL ISSUES:**

1. Applicability of Municipality/County Mandates Provision:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds. This bill does not reduce the percentage of a state tax shared with counties or municipalities. This bill does not reduce the authority that municipalities have to raise revenues.

2. Other:

None.

**B. RULE-MAKING AUTHORITY:**

None.

**C. DRAFTING ISSUES OR OTHER COMMENTS:**

None.

**IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES**